

MOUNT WERNER WATER AND SANITATION DISTRICT
Routt County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2024 AND 2023

**MOUNT WERNER WATER AND SANITATION DISTRICT
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mt. Werner Water and Sanitation District
Steamboat Springs, Colorado

Opinion

We have audited the financial statements of the business-type activities of Mt. Werner Water and Sanitation District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Mt. Werner Water and Sanitation District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of Mt. Werner Water and Sanitation District, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mt. Werner Water and Sanitation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mt. Werner Water and Sanitation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mt. Werner Water and Sanitation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mt. Werner Water and Sanitation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through IX be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mt. Werner Water and Sanitation District's basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis), and Schedule of Debt Service Requirements to Maturity, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed above are fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Mt. Werner Water and Sanitation District's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 18, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
JULY 18, 2025

**MOUNT WERNER WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

Management's Discussion and Analysis

The management of Mount Werner Water and Sanitation District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2024 and 2023. Please read it in conjunction with the financial statements, which follow this section.

Overview of the District's Operations and Economic Factors

The District was formed in 1965 to provide water and sanitation services for the newly developing Steamboat Ski Area and Resort; it is organized as a special district pursuant to state statute and is a political subdivision of the State of Colorado. An elected 5-member board of directors governs the District.

The District owns and operates the Fish Creek Filtration Plant and supplies potable water to its customers in the resort area of Steamboat Springs – an area of approximately four-square miles which includes all properties generally south of Fish Creek and within the City limits. Through an intergovernmental agreement, the District also supplies potable water to the City of Steamboat Springs. The District's wastewater is treated in a regional wastewater treatment facility owned by the City of Steamboat Springs. The District owns and maintains approximately 57 miles of sewer mains and 57 miles of water mains. The District and the City of Steamboat Springs hold the most senior water rights in Fish Creek, the principal raw water supply for the Fish Creek Filtration Plant. In 1996, the District doubled the capacity of the Fish Creek Reservoir, owned by the City of Steamboat Springs, to secure water storage in that facility.

District revenues come from three major sources:

- Water and sewer service charges
- Revenue from other governments and private entities
- Plant Investment Fees ("Tap Fees")

Revenue from District service charges has remained steady with negligible collection problems. Remaining open land parcels and platted lots within District boundaries indicate that the District is approximately 75% "built-out" under current zoning regulations and that there remains substantial growth potential in the District's customer base. Several intergovernmental agreements are in place assuring revenues for the operation and maintenance of facilities. Plant Investment Fees depend on private investment decisions on new construction. This revenue goes into the District's capital reserves which are dedicated to funding capital improvements related to growth; they are not used to fund operations.

Personnel costs and related benefits comprise the largest operational expense.

The District is committed to providing its customers with the highest quality and most cost-effective water and wastewater services while preserving public health, protecting the environment, and ensuring the utmost customer satisfaction.

The District is equally dedicated to maintaining a work environment where every employee is recognized as a fundamental part of the organization, thereby encouraging teamwork and individual contributions.

**MOUNT WERNER WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of financial statements and notes to financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Mount Werner Water and Sanitation District operates as a utility enterprise fund and presents its financial statements using the accrual basis of accounting used by most private-sector companies. As an enterprise fund, the District's basic financial statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows. The financial statement also includes Notes that provide more detailed information of significant elements within the financial statement.

The statements of net position present information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of revenues, expenditures, and changes in net position show how the District's financial position has changed over the fiscal year. They detail revenues earned, expenditures incurred, and the resulting change in net position, offering insight into the District's financial performance and sustainability.

The statements of cash flows report the District's cash flows from operating, noncapital financing, capital, and investing activities.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The supplementary information contained in this report provides a schedule of expenses, budget and actual information, and debt service requirements.

The District has no component units, nor is it a component unit of any other entity.

**MOUNT WERNER WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

Schedule of Revenues, Expenditures, and Changes in Funds Available

The following table represents the variance between the District's actual revenues and expenditures and the budgeted amounts.

| | Actual vs. Budget | | VARIANCE |
|-------------------------------------|---------------------|----------------------|----------------------------|
| | 2024 ACTUAL | 2024 FINAL BUDGET | Favorable (Unfavorable) |
| REVENUE SUMMARY | | | |
| Service Charges | \$ 3,979,253 | \$ 3,926,462 | \$ 52,791 |
| Water Filtration O&M – City Share | 478,462 | 350,000 | 128,462 |
| Other | 84,069 | 46,500 | 37,569 |
| Total Revenues | \$ 4,541,784 | \$ 4,322,962 | \$ 218,822 |
| EXPENDITURE SUMMARY | | | |
| Administration | \$ 924,776 | \$ 1,003,039 | \$ 78,263 |
| Distribution & Collection | 934,104 | 823,435 | (110,669) |
| Water Filtration | 1,068,818 | 1,006,346 | (62,472) |
| Raw Water Supply | 58,167 | 71,650 | 13,483 |
| Total Expenditures | \$ 2,985,865 | \$ 2,904,470 | \$ (81,395) |
| Operating Income | \$ 1,555,919 | \$ 1,418,492 | \$ 137,427 |
| NONOPERATING REVENUES | | | |
| Water/Wastewater Meter Tap Fees | \$ 1,551,987 | \$ 1,555,000 | \$ (3,013) |
| New Meter Fees | 161,792 | 90,000 | 71,792 |
| City Contribution of Capital Costs | 3,624,607 | 3,624,607 | - |
| Line of Credit Proceeds | 1,500,000 | - | 1,500,000 |
| Loan Proceeds | 182,284 | 2,000,000 | (1,817,716) |
| Total Nonoperating Revenues | \$ 7,020,670 | \$ 7,269,607 | \$ (248,937) |
| Capital Expenses | \$ 8,815,301 | \$ 9,000,000 | \$ 184,699 |
| Debt Service Expenses | \$ 433,053 | \$ 432,530 | \$ (523) |
| Revenue Over (Under) Expense | \$ (671,765) | \$ (744,431) | \$ 72,666 |

Revenues:

The variation between 2024 actual and 2024 budgeted revenues were primarily due to:

- Water filtration operating and maintenance revenues from the City were higher than budgeted by \$128,462.
- Revenue for service charges was \$52,791 more than budget.
- New Meter Fees revenues were \$71,792 more than budget.
- Line of credit proceeds of \$1,500,000 received were not budgeted for during the year, while Loan Proceeds received was \$182,284 short of the \$2,000,000 budgeted amount for the year by \$1,817,716.

**MOUNT WERNER WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

Operating Expenses:

The variation between 2024 actual and 2024 budgeted expenditures were primarily due to:

- Administration:
 - Personnel costs were \$80,176 less than budgeted.
 - Professional fees were \$52,337 more than budgeted.
 - Office and support systems were \$67,563 less than budgeted.
 - Other Administrative expenses were \$28,412 more than budgeted.

- Distribution and Collection:
 - Personnel costs were \$14,829 less than budgeted.
 - Utility costs were \$13,854 less than budgeted.
 - General Operating and Maintenance expenses were \$133,917 more than budgeted.

- Water Filtration:
 - Other Water Filtration expenses were \$21,733 more than budgeted.
 - General Operating and Maintenance expenses were \$34,625 more than budgeted.
 - Utilities were \$9,080 less than budgeted.

Capital Expenditures:

| | 2024 |
|---|---------------------|
| Capital improvements in 2024 were as follows: | |
| • Filtration Plant Improvements (Phase 2B) | \$ 6,426,852 |
| • FC Plant Generator | 707,033 |
| • Ski Time Square Sewer Replacement | 457,577 |
| • Lift Station Improvements | 444,512 |
| • Equipment/Vehicles/File server (FC Plant) | 315,064 |
| • FC Filter Underdrain Project | 194,986 |
| • Office Electric & Heating | 60,292 |
| • Water Distribution | 60,000 |
| • Waste Water Collection Master Plan | 41,464 |
| • Equipment & Furniture | 34,219 |
| • Booster Station 1 Replacement | 24,739 |
| • Maintenance Shop Remodel | 18,155 |
| • Yampa River Bank Stabilization | 17,880 |
| • Watershed Protection Plan | 12,528 |
| Total Capital Expenditures | \$ 8,815,301 |

**MOUNT WERNER WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

Statement of Revenue, Expenses & Changes in Net Position

| REVENUE SUMMARY | 2022 | 2023 <small>(as restated)</small> | 2024 |
|--|---------------------|---|---------------------|
| Service Charges | \$ 2,824,684 | \$ 3,355,410 | \$ 3,979,253 |
| Water/Wastewater Tap Fees | 843,264 | 936,497 | 1,551,987 |
| Water Filtration O&M - City Share | 361,263 | 372,065 | 478,462 |
| Interest Income | 56 | 6,340 | - |
| Other | 187,909 | 152,897 | 1,797,848 |
| City Contributions | - | 411,755 | 3,624,607 |
| Correction for Prior Year City Contributions | - | 2,545,588 | - |
| Total Revenues | \$ 4,217,176 | \$ 7,780,552 | \$ 7,807,550 |
| EXPENDITURE SUMMARY | | | |
| Administration | \$ 859,509 | \$ 834,474 | \$ 924,776 |
| Distribution & Collection | 684,448 | 814,804 | 934,104 |
| Water Filtration | 786,531 | 882,897 | 1,068,818 |
| Raw Water Supply | 66,912 | 69,415 | 58,167 |
| Interest Payments - Debt Service | 76,348 | 143,942 | 149,080 |
| Depreciation | 1,822,430 | 2,168,587 | 2,172,918 |
| Total Expenditures | \$ 4,296,178 | \$ 4,914,119 | \$ 5,307,863 |
| Income (Loss) | \$ (79,002) | \$ 2,866,433 | \$ 2,499,687 |

The variation of net income or loss year over year is primarily due to the inclusion of the City of Steamboat Springs contributions towards capital assets being recognized as revenue for 2023 and 2024 as explained in Note 13.

Condensed Statements of Net Position

| | 2022 | 2023 <small>(as restated)</small> | 2024 |
|----------------------------------|----------------------|---|----------------------|
| Current Assets | \$ 2,822,808 | \$ 3,203,569 | \$ 3,462,587 |
| Non-Current Assets | 15,733 | 16,487 | 9,560 |
| Restricted | 646,591 | 650,398 | - |
| Capital Assets, Net of AD | 35,549,080 | 38,661,504 | 45,303,887 |
| Total Assets | \$ 39,034,212 | \$ 42,531,958 | \$ 48,776,034 |
| Current Liabilities | \$ 1,525,984 | \$ 1,153,513 | \$ 1,442,401 |
| Long Term Liabilities | 4,818,617 | 5,822,401 | 7,205,282 |
| Total Liabilities | \$ 6,344,601 | \$ 6,975,914 | \$ 8,647,683 |
| Net Investment of Capital Assets | \$ 30,504,039 | \$ 32,563,818 | \$ 37,807,890 |
| Unrestricted | 1,586,223 | 2,341,828 | 1,573,995 |
| Restricted | 599,350 | 650,398 | 746,466 |
| Total Net Position | \$ 32,689,611 | \$ 35,556,044 | \$ 40,128,351 |

**MOUNT WERNER WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

Capital Assets

At the end of 2024, the District had invested \$45,303,887, net of depreciation, in a broad range of infrastructure including water and sewer mains, storage tanks, raw water reservoir, water filtration plant, administration facilities, vehicles, equipment, participation fees and water rights as shown in the following table.

| | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|-----------------------------|-----------------------------|-----------------------------|
| | | (as restated) | |
| Water System | \$ 37,871,787 | \$ 50,584,006 | \$ 56,418,088 |
| Sewer System | 22,262,150 | 22,969,507 | 23,913,060 |
| Fish Creek Reservoir | 7,472,325 | 7,472,325 | 9,397,325 |
| Land | 2,813,841 | 2,813,841 | 2,813,841 |
| Buildings and Improvements | 1,068,691 | 1,171,822 | 1,250,269 |
| Equipment & Vehicles | 617,793 | 729,252 | 763,471 |
| Water Rights | 52,953 | 52,953 | 52,953 |
| Less accumulated depreciation | (36,610,460) | (47,132,202) | (49,305,120) |
| Net Property, Plant, and Equipment | <u>\$ 35,549,080</u> | <u>\$ 38,661,504</u> | <u>\$ 45,303,887</u> |

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Frank Alfone, General Manager
P.O. Box 770940, Steamboat Springs, CO 80477
Tel: 970-879-2424
Email: falfone@mwwater.com

BASIC FINANCIAL STATEMENTS

MOUNT WERNER WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023 (RESTATED)

| | 2024 | 2023 |
|--|---------------|---------------|
| ASSETS | | (As Restated) |
| Current Assets: | | |
| Cash And Cash Equivalents | \$ 171,448 | \$ 1,428,530 |
| Accounts Receivable | 1,966,644 | 1,460,777 |
| Capital Contributions Receivable | 1,137,788 | - |
| Prepaid Expenses | 5,948 | 95,388 |
| Inventories | 180,759 | 218,874 |
| Total Current Assets | 3,462,587 | 3,203,569 |
| Noncurrent Assets: | | |
| Capital Assets, Net of Accumulated Depreciation | 45,303,887 | 38,661,504 |
| Restricted Cash - Operations And Maintenance Reserve | - | 650,398 |
| Prepaid Expenses | - | 6,927 |
| Security Deposit | 9,560 | 9,560 |
| Total Assets | 48,776,034 | 42,531,958 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable And Accrued Expenses | 563,630 | 235,691 |
| Due to Other Governments | 573,727 | 618,084 |
| Compensated Absences Liability | 14,329 | 24,453 |
| Current Portion of Notes Payable | 290,715 | 275,285 |
| Total Current Liabilities | 1,442,401 | 1,153,513 |
| Noncurrent Liabilities: | | |
| Line of Credit | 1,500,000 | - |
| Notes Payable, Net of Current Portion | 5,705,282 | 5,822,401 |
| Total Liabilities | 8,647,683 | 6,975,914 |
| NET POSITION | | |
| Net Investment in Capital Assets | 37,807,890 | 32,563,818 |
| Restricted For: | | |
| Operations and Maintenance Reserve | 746,466 | 650,398 |
| Unrestricted | 1,573,995 | 2,341,828 |
| Total Net Position | \$ 40,128,351 | \$ 35,556,044 |

See accompanying Notes to Basic Financial Statements.

**MOUNT WERNER WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2024 AND 2023 (RESTATED)**

| | <u>2024</u> | (As Restated) <u>2023</u> | (As Previously Reported) <u>2023</u> |
|---|----------------------|------------------------------|--|
| OPERATING REVENUES | | | |
| Water and Wastewater Service Charges | \$ 3,979,253 | \$ 3,355,410 | \$ 3,355,410 |
| Water Filtration Plant Operating and Maintenance Sharing | 478,462 | 372,065 | 372,065 |
| Other | 84,069 | 41,913 | 41,913 |
| Total Operating Revenues | <u>4,541,784</u> | <u>3,769,388</u> | <u>3,769,388</u> |
| OPERATING EXPENSES | | | |
| Administration | 924,776 | 834,474 | 834,474 |
| Water Distribution and Wastewater Collection | 934,104 | 814,804 | 814,804 |
| Water Filtration | 1,068,818 | 882,897 | 882,897 |
| Raw Water Supply | 58,167 | 69,415 | 69,415 |
| Depreciation and Amortization | 2,172,918 | 2,168,587 | 1,958,602 |
| Total Operating Expenses | <u>5,158,783</u> | <u>4,770,177</u> | <u>4,560,192</u> |
| OPERATING INCOME (LOSS) | (616,999) | (1,000,789) | (790,804) |
| NONOPERATING REVENUE (EXPENSES) | | | |
| Interest Income | - | 6,340 | 6,340 |
| Total Nonoperating Revenues | <u>-</u> | <u>6,340</u> | <u>6,340</u> |
| INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, AND LOSSES | (616,999) | (994,449) | (784,464) |
| OTHER REVENUES, EXPENSES, GAINS, AND LOSSES | | | |
| Plant Investment Fees | 1,551,987 | 936,497 | 936,497 |
| New Meter Fees | 161,792 | 110,984 | 110,984 |
| Debt Service Interest Payments | (149,080) | (143,942) | (143,942) |
| City Contributions | 3,624,607 | 411,755 | - |
| Adjustment for City Contributions for Capital Assets in Prior Years | - | 2,545,588 | - |
| Total Other Revenues, Expenses, Gains, and Losses | <u>5,189,306</u> | <u>3,860,882</u> | <u>903,539</u> |
| CHANGE IN NET POSITION | 4,572,307 | 2,866,433 | 119,075 |
| Net Position - Beginning of Year | <u>\$ 35,556,044</u> | <u>32,689,611</u> | <u>32,689,611</u> |
| NET POSITION - END OF YEAR | <u>\$ 40,128,351</u> | <u>\$ 35,556,044</u> | <u>\$ 32,808,686</u> |

See accompanying Notes to Basic Financial Statements.

**MOUNT WERNER WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023 (RESTATED)**

| | 2024 | 2023 |
|---|--------------|---------------|
| | | (As Restated) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash Receipts from Customers | \$ 5,022,932 | \$ 3,769,388 |
| Cash Payments to Employees for Services | (1,387,841) | (1,215,408) |
| Cash Payments to Other Suppliers of Goods or Services | (2,184,026) | (1,576,301) |
| Net Cash Provided by Operating Activities | 1,451,065 | 977,679 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds from Notes Payable | 182,284 | 1,308,096 |
| Proceeds from Line of Credit | 1,500,000 | - |
| Plant Investment Fees Collected | 981,770 | 936,497 |
| New Meter Fees Collected | 137,149 | 110,984 |
| City Contribution of Capital Costs | 2,486,819 | 411,755 |
| Debt Service Payments | (433,053) | (399,393) |
| Payments to Acquire, Construct, and Improve Capital Assets | (8,213,514) | (2,735,417) |
| Net Cash Used by Capital and Related Financing Activities | (3,358,545) | (367,478) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Earnings | - | 6,340 |
| Net Cash Provided by Investing Activities | - | 6,340 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (1,907,480) | 616,541 |
| Cash and Cash Equivalents - Beginning of Year | 2,078,928 | 1,462,387 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 171,448 | \$ 2,078,928 |
| COMPOSITION OF CASH AND CASH EQUIVALENTS AT YEAR-END | | |
| Cash and Cash Equivalents | \$ 171,448 | \$ 1,428,530 |
| Restricted Cash - Operations and Maintenance Reserve | - | 650,398 |
| Total Cash and Cash Equivalents | \$ 171,448 | \$ 2,078,928 |

See accompanying Notes to Basic Financial Statements.

**MOUNT WERNER WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023 (RESTATED)**

| | 2024 | 2023 |
|--|--------------|----------------|
| | | (As Restated) |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY ACTIVITIES | | |
| Operating Income (Loss) | \$ (616,999) | \$ (1,000,789) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | |
| Depreciation and Amortization | 2,172,918 | 2,168,587 |
| (Increase) Decrease in: | | |
| Accounts Receivable | \$ (505,867) | \$ (154,170) |
| Prepaid Expenses | 89,440 | (28,244) |
| Inventories | 38,115 | (58,052) |
| Increase (Decrease) in: | | |
| Accounts Payable and Accrued Expenses | 327,939 | 52,173 |
| Compensated Absences Liability | (10,124) | (2,651) |
| Due to Other Governments, Net of Plant Investments | (44,357) | 827 |
| Net Cash Provided by Operating Activities | \$ 1,451,065 | \$ 977,679 |

See accompanying Notes to Basic Financial Statements.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Mount Werner Water and Sanitation District (the District), was organized in 1965 to provide water and sanitation services for the then newly developing Steamboat Ski Area and Resort. The District was formed as a special district pursuant to Title 32 of Colorado Revised Statutes (CRS). The District treats and distributes water for the mountain resort area of Steamboat Springs and provides water to the City of Steamboat Springs (the City) for distribution to its customers. The District also provides the infrastructure for the collection of wastewater within the District that is treated at the City's wastewater treatment plant. The District and City share raw water storage in Fish Creek Reservoir and share ownership of the Fish Creek Filtration Plant.

The District has employees who perform various operations and administration functions while other functions are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets. Redemptions of bonds and loans are recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received or collectible.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

The District distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

Budgets are adopted on a non-GAAP basis wherein depreciation is not budgeted; capital expenditures are budgeted and recorded as expenditures, and debt service payments are budgeted and recorded as expenditures.

The District conforms to the following procedures, in compliance with CRS, Title 29, Article 1, in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, District management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public notice is offered by the Board of Directors to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures must be approved by the Board of Directors.
- All appropriations lapse at the end of each fiscal year.

The District adopted supplemental appropriations and amended the budget for the year ended December 31, 2024.

Accounts Receivable

Amounts due to the District from charges for services provided are reported as accounts receivable. The District's management review accounts receivable periodically to consider the collectability of the balances. The District's management believes all accounts receivable to be fully collectible as of December 31, 2024 and 2023. Therefore, no allowance for uncollectible accounts has been established.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include land, water rights, buildings, distribution and collection systems and machinery and equipment are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500 for water and wastewater infrastructure, or more than \$5,000 for other equipment. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

| | |
|--|----------------|
| Water Storage, Treatment, and Distribution Systems | 10 to 40 Years |
| Wastewater Treatment, Collection, and Transmission Systems | 30 to 40 Year |
| Buildings and Improvements | 30 Years |
| Vehicles, Equipment, and Software | 5 to 15 Years |

Compensated Absences Liability

District employees accrue vacation and compensatory time benefits with each pay period. Employees can carryforward a certain amount of unused vacation hours as of December 31 based upon the employee's length of employment with the District and unused vacation is paid to employees upon termination. Employees can carryforward no more than 20 hours of compensatory time as of December 31.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. All compensated absence liabilities include salary-related payments, where applicable. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only when due.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative financial information in total. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's audited financial statements for the year ended December 31, 2023 from which the summarized financial information was derived.

Leases and Subscription-Based IT Arrangements

Under GASB 87 and 96, the District recognizes short-term lease or short-term subscription payments as outflows of resources based on the payment provisions of the lease contract.

Recently Issued Accounting Pronouncements

For the year ended December 31, 2024, the District adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62, which is effective for financial statement periods beginning after June 15, 2023. GASB Statement No. 100 provides guidance for prior-period adjustments, changes in accounting principle, changes in accounting estimate, changes in the reporting entity, and corrections of errors in previously issued financial statements. For the year ended December 31, 2024, the implementation of the new standard impacted the previously issued financial statements ended December 31, 2023 and those changes are detailed in Note 13.

Effective January 1, 2024, the District also implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024 and 2023, are classified in the accompanying financial statements as follows:

| | 2024 | 2023 |
|--|------------|--------------|
| Statement of Net Position: | | |
| Cash and Cash Equivalents | \$ 171,448 | \$ 1,428,530 |
| Cash and Cash Equivalents - Restricted | - | 650,398 |
| Total Cash and Investments | \$ 171,448 | \$ 2,078,928 |

Cash and investments as of December 31, 2024 and 2023, consist of the following:

| | 2024 | 2023 |
|--------------------------------------|------------|--------------|
| Deposits with Financial Institutions | \$ 168,046 | \$ 2,075,526 |
| Investments | 3,402 | 3,402 |
| Total Cash and Investments | \$ 171,448 | \$ 2,078,928 |

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024 and 2023, the District's cash deposits had a bank balance of \$2,629,793 and \$2,387,907, respectively; and a carrying balance of \$167,846 and \$2,075,326, respectively. For the bank balances, at December 31, 2024 and 2023, \$250,000 was covered by federal deposit insurance for both years. At December 31, 2024 and 2023, \$2,379,793 and \$2,137,907 was uninsured but collateralized in accordance with provisions of the Colorado Public Deposit Protection Act (PDPA), respectively.

Investments

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2024 and 2023, the District had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>2024</u> | <u>2023</u> |
|--|-----------------------------------|-----------------|-----------------|
| Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+) | Weighted-Average Under 60 Days | <u>\$ 3,402</u> | <u>\$ 3,402</u> |

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The state Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor’s. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Restricted Cash and Investments

As of December 31, 2024 and 2023, cash and cash equivalents in the amount of \$0 and \$650,398, respectively are restricted for operations and maintenance reserve fund related to the 2021 CWRPDA Notes Payable.

At December 31, 2024, the District reported no restricted cash. Although the loan agreement requires a reserve equal to three months of operating expenses, it permits the reserve to be held as unobligated fund balances or other unrestricted resources. Due to a year-end timing difference, the reserve was supported by accounts receivable and is reflected in restricted net position rather than restricted cash.

MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the years ended December 31, 2024 and 2023, follows:

| | 2024 | | | | |
|--|----------------------|-------------------------------|-------------------|----------------------|----------------------|
| | December 31, 2023 | | | December 31, 2024 | |
| | Balance | Additions | Deletions | Balance | |
| Nondepreciable Capital Assets: | | | | | |
| Land, Improvements, and Easements | \$ 2,813,841 | \$ - | \$ - | \$ 2,813,841 | |
| Water Rights | 52,953 | - | - | 52,953 | |
| Total Nondepreciable Capital Assets | 2,866,794 | - | - | 2,866,794 | |
| Depreciable Capital Assets: | | | | | |
| Water Storage, Treatment and Distribution Systems | 58,056,331 | 7,759,082 | | 65,815,413 | |
| Wastewater Treatment, Collection and Transmission System | 22,969,507 | 943,553 | - | 23,913,060 | |
| Buildings and Improvements | 1,171,822 | 78,447 | - | 1,250,269 | |
| Vehicles, Equipment, and Software | 729,252 | 34,219 | | 763,471 | |
| Total Depreciable Capital Assets | 82,926,912 | 8,815,301 | - | 91,742,213 | |
| Less: Accumulated Depreciation | (47,132,202) | (2,172,918) | - | (49,305,120) | |
| Net Depreciable Capital Assets | 35,794,710 | 6,642,383 | - | 42,437,093 | |
| Total Capital Assets, Net | <u>\$ 38,661,504</u> | <u>\$ 6,642,383</u> | <u>\$ -</u> | <u>\$ 45,303,887</u> | |
| 2023 (Restated) | | | | | |
| | December 31, 2022 | | | December 31, 2023 | |
| | Balance | Adjustment for Restatement | Additions | Deletions | Balance |
| Nondepreciable Capital Assets: | | | | | |
| Land, Improvements, and Easements | \$ 2,813,841 | \$ - | \$ - | \$ - | \$ 2,813,841 |
| Water Rights | 52,953 | - | - | - | 52,953 |
| Total Nondepreciable Capital Assets | 2,866,794 | - | - | - | 2,866,794 |
| Depreciable Capital Assets: | | | | | |
| Water Storage, Treatment and Distribution Systems | 45,344,112 | 11,358,867 | 1,353,352 | - | 58,056,331 |
| Wastewater Treatment, Collection and Transmission System | 22,262,150 | - | 755,726 | (48,369) | 22,969,507 |
| Buildings and Improvements | 1,068,691 | - | 103,131 | - | 1,171,822 |
| Vehicles, Equipment, and Software | 617,793 | - | 111,459 | - | 729,252 |
| Total Depreciable Capital Assets | 69,292,746 | 11,358,867 | 2,323,668 | (48,369) | 82,926,912 |
| Less: Accumulated Depreciation | (36,610,460) | (8,401,524) | (2,168,587) | 48,369 | (47,132,202) |
| Net Depreciable Capital Assets | 32,682,286 | 2,957,343 | 155,081 | - | 35,794,710 |
| Total Capital Assets, Net (Restated) | <u>\$ 35,549,080</u> | <u>\$ 2,957,343</u> | <u>\$ 155,081</u> | <u>\$ -</u> | <u>\$ 38,661,504</u> |

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2024:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-----------------|----------------------|-------------------|---------------------|---------------------|------------------------|
| CWRPDA #W21F091 | \$ 2,808,882 | \$ - | \$ (125,264) | \$ 2,683,618 | \$ 128,416 |
| CWRPDA #D21F091 | 2,270,419 | 65,794 | (106,592) | 2,229,621 | 109,003 |
| CWRPDA #W22F471 | 1,018,385 | 116,490 | (52,117) | 1,082,758 | 53,296 |
| Total | <u>\$ 6,097,686</u> | <u>\$ 182,284</u> | <u>\$ (283,973)</u> | <u>\$ 5,995,997</u> | <u>\$ 290,715</u> |

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2023:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-----------------|----------------------|---------------------|---------------------|---------------------|------------------------|
| CWRPDA #W21F091 | \$ 2,670,389 | \$ 259,934 | \$ (121,441) | \$ 2,808,882 | \$ 125,264 |
| CWRPDA #D21F091 | 2,374,652 | - | (104,233) | 2,270,419 | 106,592 |
| CWRPDA #W22F471 | - | 1,048,162 | (29,777) | 1,018,385 | 43,429 |
| Total | <u>\$ 5,045,041</u> | <u>\$ 1,308,096</u> | <u>\$ (255,451)</u> | <u>\$ 6,097,686</u> | <u>\$ 275,285</u> |

The details of the District’s Loan Agreements with Colorado Water Resource Power and Development Authority (CWRPDA) are as follows:

Notes Payable Series #W21F091

The District entered into a \$3,000,000 loan agreement (#W21F091) with CWRPDA on May 11, 2021. The note is payable in an initial installment of \$15,961 on May 1, 2022 followed by semi-annual installments of \$97,345 on May 1 and November 1 thereafter including interest at 2.50% through maturity on November 1, 2041. Proceeds of the note are to be used for a project consisting of replacement and upsizing of interceptor piping and associated appurtenances. Principal drawn on the loan through December 31, 2024 was \$3,000,000.

Notes Payable Series #D21F091

The District entered into a \$2,500,000 loan agreement (#D21F091) with CWRPDA on May 11, 2021. The note is payable in an initial installment of \$12,993 on May 1, 2022 followed by semi-annual installments of \$79,280 on May 1 and November 1 thereafter including interest at 2.25% through maturity on November 1, 2041. Proceeds of the note are to be used for a project consisting of construction of a new infiltration gallery well and pump station. Principal drawn on the loan through December 31, 2024 was \$2,500,00.

Notes Payable Series #W22F471

The District entered into a \$1,250,000 loan agreement (#W22F471) with CWRPDA on August 4, 2022. The note is payable in an initial installment of \$6,497 on May 1, 2023 followed by semi-annual installments of \$39,640 on May 1 and November 1 thereafter including interest at 2.25% through maturity on November 1, 2042. Proceeds of the note are to be used for a project consisting of replacement and upsizing of interceptor piping and associated appurtenances. Principal drawn on the loan through December 31, 2024 was \$1,164,652.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

To the extent principal on any Notes is not paid when due, principal shall remain outstanding until paid. Unpaid interest compounds on each interest payment date at the rate borne by the Note. The Notes are not subject to early termination or acceleration. As of December 31, 2024, Notes Payable Series #W21F091 and #D21F091 had \$0 of undrawn lines of credit, while Series #W22F471 had \$85,348 of undrawn lines of credit. No assets have been pledged as collateral on the Notes Payable.

The Loan agreements require the District to maintain an operations and maintenance fund equal to three months of operation and maintenance expenses, excluding depreciation. The District maintains a restricted net position balance of \$771,944 for this purpose as of December 31, 2024.

The CWRPDA loan agreements also include a rate covenant whereby the District's water and wastewater system net revenue, after meeting operation and maintenance expenses, is required to be sufficient to cover 110% of the debt service coming due. The following District's calculation of the rate covenant for the year ended December 31, 2024:

| | |
|--|---------------------|
| System Revenues: | |
| Charges for Services: | |
| Water | \$ 3,184,106 |
| Wastewater Collection | 795,147 |
| Water Filtration Plant Operating and Maintenance | |
| Sharing | <u>478,462</u> |
| Total System Revenues | 4,457,715 |
| System Operating Expenses: | |
| Water | 4,306,933 |
| Wastewater | 851,850 |
| Less: Depreciation and Amortization | <u>(2,172,918)</u> |
| Total System Operating Expenses | <u>2,985,865</u> |
| Net System Revenues | <u>\$ 1,471,850</u> |
| Annual Debt Service Payments | <u>\$ 432,530</u> |
| Net System Revenues/Annual Debt Service Payments | <u>340%</u> |

The District's net system revenues were sufficient to meet the rate covenant requirements for the year ended December 31, 2024.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations will mature as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2025 | \$ 290,715 | \$ 141,815 | \$ 432,530 |
| 2026 | 297,618 | 134,912 | 432,530 |
| 2027 | 304,686 | 127,845 | 432,531 |
| 2028 | 311,920 | 120,610 | 432,530 |
| 2029 | 319,327 | 113,202 | 432,529 |
| 2030-2034 | 1,714,077 | 448,572 | 2,162,649 |
| 2035-2039 | 1,927,596 | 235,050 | 2,162,646 |
| 2040-2042 | 830,058 | 35,002 | 865,060 |
| Total | <u>\$ 5,995,997</u> | <u>\$ 1,357,008</u> | <u>\$ 7,353,005</u> |

NOTE 6 UNUSED LINE OF CREDIT

On January 31, 2024, the District entered into an agreement with Mountain Valley Bank for revolving draw line of credit in an amount not to exceed \$2,000,000. The interest rate is variable and set to the Wall Street Journal U.S. Prime Rate, "benchmark", minus 1.00%. with change dates occurring during the life of the note. The rate at the time of lending was net 7.50%. The agreement calls for any outstanding accrued interest to be paid monthly, beginning on March 1, 2024. All outstanding unpaid principal and accrued interest is due in full on February 1, 2026. The District had drawn \$1,500,000 and had an unused line of credit balance of \$500,000 on December 31, 2024.

NOTE 7 AGREEMENTS

Water Treatment Plant Agreement

In November 2005, the District and City entered into an agreement for the treatment and disposal of sewage in the Steamboat Springs region. Per terms of the agreement, the District collects service charges from its residential and commercial customers for wastewater treatment and passes these payments through to the City. Wastewater treatment receipts are not recognized as revenues by the District. Additionally, the City does not charge the District for operating expenses attributable to the treatment of wastewater.

Agreement to Expand Fish Creek Reservoir

In July 1994, the District and City entered into an agreement to enlarge the storage capacity of the Fish Creek Reservoir. The agreement required the District to pay all construction costs of the enlargement project. The District funded the project with a \$4,630,000 loan from the Colorado Water Resources and Power Development Authority (CWRPDA) and the District's reserve funds.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Agreement to Expand Fish Creek Reservoir (continued)

In 2002, the agreement was amended allowing the City, at its option annually, to reserve a percentage of the water filling under the enlargement, by paying \$175,000 to the District. The City's allotment percentage of the annual amount of water filling in the enlargement is fixed in perpetuity to be 2.518% multiplied by the number of years the City made the option payment to the District. The City made the option payment each year from 2000 through 2011 resulting in a perpetual reserved allotment of 27.698% of the annual fill in the enlargement pool.

Filtration Bay Stand-By Capacity

In May 2018, the District entered into an agreement with the City to lease 50% of the actual production capacity of two filter bays owned by the City. The lease was effective July 1, 2017 for a 20-year term ending June 30, 2037. The lease can be terminated sooner by either party with 30 months' notification. The lease amount was based upon 50% of the cost of the two filter bays. The District incurred lease expense of \$38,393 and \$39,483 for the years ended December 31, 2024 and 2023, respectively.

Ski Time Improvements Agreement

In September 2023, the District and the City entered into an agreement to construct street improvements and a turnaround. The agreement required the District to reimburse the City for all construction costs related to water and wastewater collections infrastructure improvements completed during the project. The estimated total cost for this project is \$660,000. The City may impose a penalty of 1% on amount due of overdue balances and is allowed to remit progress pay applications. As of December 31, 2024, 99% of the project was completed.

Stagecoach Reservoir Storage Agreement

The District entered into an agreement with the Upper Yampa Water Conservancy District (UYWCD) on April 4, 1988 to purchase 200-acre feet of storage water in Stagecoach Reservoir annually on a "take or pay basis" at a price of \$35.00 per acre foot for a term of 30 years. At the end of the 30-year period the District has the continuing right for the life of Stagecoach Reservoir to purchase annually the 200-acre feet of storage at a price per acre foot based upon UYWCD's costs of operating, repairing, renovating, and maintaining Stagecoach Reservoir. The District paid \$98.24 per acre foot of storage water for the years ended December 31, 2024 and December 31, 2023.

Yamcolo Reservoir Storage Agreement

The District entered into an extension and amendment agreement with UYWCD effective May 19, 2011 for 300-acre feet of storage water in the Yamcolo Reservoir for 30 years terminating July 15, 2041. The purchase price is subject to an annual CPI increase. The District paid \$91.42 per acre foot of storage water for the years ended December 31, 2024 and December 31, 2023.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 8 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024 and 2023, the District had net investment in capital assets, calculated as follows:

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| Net Investment in Capital Assets | | |
| Capital Assets, Net | \$ 45,303,887 | \$ 38,661,504 |
| Current Portion of Long-Term Obligations | (290,715) | (275,285) |
| Noncurrent Portion of Long-Term Obligations | (5,705,282) | (5,822,401) |
| Line of Credit | (1,500,000) | - |
| Total | <u>\$ 37,807,890</u> | <u>\$ 32,563,818</u> |

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District applies restricted net positions first when both restricted and unrestricted resources are available. The District had restricted net position as of December 31, 2024 and 2023, as follows:

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|-------------------|-------------------|
| Restricted Net Position | | |
| Operations and maintenance reserve | \$ 746,466 | \$ 650,398 |
| Total Restricted Net Position | <u>\$ 746,466</u> | <u>\$ 650,398</u> |

The District had an unrestricted net position of \$1,573,995 and \$2,341,828 as of December 31, 2024 and 2023, respectively.

NOTE 9 RISK MANAGEMENT

Except as provided under the Colorado Governmental Immunity Act, as may be amended from time to time, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 9 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations that apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District is of the opinion that its water activity enterprise, and all activities related thereto are carried on as an Enterprise within the meaning of TABOR and the Enterprise Act, C.R.S. 37-45.;1-01, et seq. The District's annual budget and financial statements are deemed by the District to be the annual budget and financial statements of the Enterprise.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and many of the provisions, including the calculation of fiscal year spending limits, growth factors, and qualification as an Enterprise, may require judicial interpretation.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Retirement Plan

All employees can participate in a Simplified Employee Pension Individual Retirement Account (SEP-IRA) plan that is a qualified plan as defined by IRS Code Section 408(k) and Colorado Revised Statutes (CRS) 24.54. Employees are eligible to participate after a three-month probationary period. The District contributes 6% of employees' wages to the plan and the SEP-IRA accounts are self-directed and managed by the employees. All employees are fully vested immediately. District contributions to the SEP-IRA accounts were \$61,166 and \$49,314 for the years ended December 31, 2024 and 2023, respectively.

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 12 SEGMENT INFORMATION

The District's significant identifiable activities for which loans are outstanding are related to its Water and Sewer operations. The Water and Sewer segments' operating revenues and expenses consist primarily of revenues associated with the delivery of potable water and the collection and treatment of wastewater, along with the related costs of providing those services.

Condensed financial statement information related to each of the District's segments for the period ending December 31, 2024, is as follows:

| | Water Department | Wastewater Department | Total |
|---|----------------------|--------------------------|----------------------|
| CONDENSED STATEMENT OF NET POSITION | | | |
| Assets: | | | |
| Current Assets | \$ 2,705,625 | \$ 756,962 | \$ 3,462,587 |
| Capital Assets, Net | 33,977,915 | 11,325,972 | 45,303,887 |
| Other Assets | 9,560 | - | 9,560 |
| Total Assets | <u>36,693,100</u> | <u>12,082,934</u> | <u>48,776,034</u> |
| Liabilities: | | | |
| Current Liabilities | 870,474 | 571,927 | 1,442,401 |
| Noncurrent Liabilities | 3,555,573 | 3,649,709 | 7,205,282 |
| Total Liabilities | <u>4,426,047</u> | <u>4,221,636</u> | <u>8,647,683</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | 30,313,339 | 7,494,551 | 37,807,890 |
| Restricted | 746,466 | - | 746,466 |
| Unrestricted | 1,212,343 | 361,652 | 1,573,995 |
| Total Net Position | <u>\$ 32,272,148</u> | <u>\$ 7,856,203</u> | <u>\$ 40,128,351</u> |
| | Water Department | Wastewater Department | Total |
| CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION | | | |
| Operating Revenues | \$ 3,746,637 | \$ 795,147 | \$ 4,541,784 |
| Depreciation Expense | (1,691,938) | (480,980) | (2,172,918) |
| Other Operating Expenses | (2,614,995) | (370,870) | (2,985,865) |
| Operating Income (Loss) | (560,296) | (56,703) | (616,999) |
| Nonoperating Revenues (Expenses): | | | |
| Plant Investment Fees | 1,103,946 | 448,041 | 1,551,987 |
| Debt Service Interest Payments | (52,387) | (96,693) | (149,080) |
| Other Nonoperating Revenues | 1,871,868 | 1,914,531 | 3,786,399 |
| Total Nonoperating Revenues | <u>2,923,427</u> | <u>2,265,879</u> | <u>5,189,306</u> |
| Change in Net Position | 2,363,131 | 2,209,176 | 4,572,307 |
| Beginning Net Position | 29,904,126 | 5,651,918 | 35,556,044 |
| Ending Net Position | <u>\$ 32,267,257</u> | <u>\$ 7,861,094</u> | <u>\$ 40,128,351</u> |
| | Water Department | Wastewater Department | Total |
| CONDENSED STATEMENT OF CASH FLOWS | | | |
| Net Cash Provided (Used) by: | | | |
| Operating Activities | \$ 870,639 | \$ 580,426 | \$ 1,451,065 |
| Capital and Related Financing Activities | (2,015,127) | (1,343,418) | (3,358,545) |
| Net Change in Cash and Cash Equivalents | (1,144,488) | (762,992) | (1,907,480) |
| Beginning Cash and Cash Equivalents | 1,823,536 | 255,392 | 2,078,928 |
| Ending Cash and Cash Equivalents | <u>\$ 679,048</u> | <u>\$ (507,600)</u> | <u>\$ 171,448</u> |

**MOUNT WERNER WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 13 ADJUSTMENTS AND RESTATEMENTS

Change in Presentation of Capital Assets

Historically, the District recorded capital assets net of contributions received from the City of Steamboat Springs. In accordance with generally accepted accounting principles and to improve the transparency and consistency of financial reporting, the District has elected to adjust the capital assets at gross historical cost, with related contributions recognized separately and correct for previous depreciation of the assets for the year ended December 31, 2023. Those adjustments are shown on the Statement of Revenues, Expenditures, and Changes in Net Position.

As a result of this change, previously excluded capital assets totaling \$11,358,867 were added to the District's capital asset records. These assets had accumulated depreciation of \$8,401,524 as of January 1, 2023, and additional depreciation of \$209,985 was recognized during the year ended December 31, 2023. The net effect of this change was an increase of \$2,747,358 to the net position for the year ending December 31, 2023.

The restated net position calculation for the year ended December 31, 2023, is as follows:

| | | |
|---|-----------|-------------------|
| Change in Net Position - December 31, 2023 (as previously reported) | \$ | 119,075 |
| Net Capital Assets Adjustment from Prior Periods | | 2,957,343 |
| Additional Deprecation Expense related to Capital Asset Adjustment | | (209,985) |
| Change in Net Position - December 31, 2023 (as restated) | <u>\$</u> | <u>2,866,433</u> |
| Net Position - December 31, 2023 (as previously reported) | \$ | 32,808,686 |
| Net Effect of Restatement | | 2,747,358 |
| Net Position - December 31, 2023 (as restated) | <u>\$</u> | <u>35,556,044</u> |

SUPPLEMENTARY INFORMATION

**MOUNT WERNER WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2024**

| | Original Budget | Final Budget | Actual | Variance |
|---|--------------------|------------------|------------------|------------------|
| OPERATING REVENUES | | | | |
| Service Charges: | | | | |
| Water | \$ 3,164,286 | \$ 3,164,286 | \$ 3,184,106 | \$ 19,820 |
| Wastewater Collection | 762,176 | 762,176 | 795,147 | 32,971 |
| Water Filtration Plant Operating and Maintenance Sharing | 350,000 | 350,000 | 478,462 | 128,462 |
| Other | 46,500 | 46,500 | 84,069 | 37,569 |
| Total Operating Revenues | <u>4,322,962</u> | <u>4,322,962</u> | <u>4,541,784</u> | <u>218,822</u> |
| OPERATING EXPENDITURES | | | | |
| Administration: | | | | |
| Wages and Benefits | 617,964 | 617,964 | 537,788 | 80,176 |
| Professional Fees | 104,200 | 104,200 | 156,537 | (52,337) |
| Office and Support Systems | 149,875 | 149,875 | 82,312 | 67,563 |
| Insurance | 41,500 | 41,500 | 42,112 | (612) |
| Water Conservation | 10,000 | 10,000 | 8,115 | 1,885 |
| Master Planning | 10,000 | 10,000 | - | 10,000 |
| Other | 69,500 | 69,500 | 97,912 | (28,412) |
| Total Administration | <u>1,003,039</u> | <u>1,003,039</u> | <u>924,776</u> | <u>78,263</u> |
| Water Distribution and Wastewater Collection: | | | | |
| Wages and Benefits | 348,750 | 348,750 | 333,921 | 14,829 |
| Utilities | 70,500 | 70,500 | 56,646 | 13,854 |
| Operating and Maintenance | 401,685 | 401,685 | 535,602 | (133,917) |
| Other | 2,500 | 2,500 | 7,935 | (5,435) |
| Total Water Distribution and Wastewater Collection | <u>823,435</u> | <u>823,435</u> | <u>934,104</u> | <u>(110,669)</u> |
| Water Filtration: | | | | |
| Wages and Benefits | 432,076 | 526,541 | 516,132 | 10,409 |
| Utilities | 107,100 | 107,100 | 116,180 | (9,080) |
| Chemicals | 225,000 | 225,000 | 232,443 | (7,443) |
| Operating and Maintenance | 80,812 | 80,812 | 115,437 | (34,625) |
| Filter Bay Lease | 38,393 | 38,393 | 38,393 | - |
| Other | 28,500 | 28,500 | 50,233 | (21,733) |
| Total Water Filtration | <u>911,881</u> | <u>1,006,346</u> | <u>1,068,818</u> | <u>(62,472)</u> |

**MOUNT WERNER WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUNDS
AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

| | Original Budget | Final Budget | Actual | Variance |
|---|---------------------|---------------------|----------------------|------------------|
| OPERATING EXPENDITURES (CONTINUED) | | | | |
| Raw Water Supply: | | | | |
| Water Purchases | \$ 51,150 | \$ 51,150 | \$ 37,586 | \$ 13,564 |
| Stream Gauges | 7,200 | 7,200 | 7,278 | (78) |
| Watershed Protection | 5,000 | 5,000 | 4,292 | 708 |
| Wellfield Monitoring and Protection | 6,300 | 6,300 | 7,019 | (719) |
| Other | 2,000 | 2,000 | 1,992 | 8 |
| Total Raw Water Supply | <u>71,650</u> | <u>71,650</u> | <u>58,167</u> | <u>13,483</u> |
| Total Operating Expenditures | <u>2,810,005</u> | <u>2,904,470</u> | <u>2,985,865</u> | <u>(175,860)</u> |
| OPERATING INCOME | 1,512,957 | 1,418,492 | 1,555,919 | 137,427 |
| NONOPERATING REVENUES (EXPENDITURES) | | | | |
| Water Plant Investment Fees | 880,000 | 1,105,000 | 1,103,946 | (1,054) |
| Wastewater Plant Investment Fees | 370,000 | 450,000 | 448,041 | (1,959) |
| New Meter Fees | 90,000 | 90,000 | 161,792 | 71,792 |
| City Contribution of Capital Costs | 3,437,904 | 3,624,607 | 3,624,607 | - |
| Capital Outlay | (8,278,300) | (9,000,000) | (8,815,301) | 184,699 |
| Line of Credit Proceeds | - | - | 1,500,000 | 1,500,000 |
| Debt Service: | | | | |
| Principal | (283,973) | (283,973) | (283,973) | - |
| Interest | (148,557) | (148,557) | (149,080) | (523) |
| Loan Proceeds | 2,000,000 | 2,000,000 | 182,284 | (1,817,716) |
| Total Nonoperating Revenues (Expenditures) | <u>(1,932,926)</u> | <u>(2,162,923)</u> | <u>(2,227,684)</u> | <u>(64,761)</u> |
| NET INCOME (LOSS) - BUDGETARY BASIS | <u>\$ (419,969)</u> | <u>\$ (744,431)</u> | <u>\$ (671,765)</u> | <u>\$ 72,666</u> |
| ADJUSTMENTS TO GAAP BASIS | | | | |
| Capitalized Expenditures | | | 8,815,301 | |
| Debt Service Principal Payments | | | 283,973 | |
| Depreciation | | | (2,172,918) | |
| Line of Credit Proceeds | | | (1,500,000) | |
| Loan Proceeds | | | (182,284) | |
| Total Adjustments to GAAP Basis | | | <u>5,244,072</u> | |
| CHANGE IN NET POSITION - GAAP BASIS | | | <u>4,572,307</u> | |
| Net Position - Beginning of Year | | | <u>35,556,044</u> | |
| NET POSITION - END OF YEAR | | | <u>\$ 40,128,351</u> | |

**MOUNT WERNER WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

| \$3,000,000 Sewer Interceptor Loan (CWRPDA #W21F091) Dated May 11, 2021 Interest Rate at 2.500% Due May 1 and November 1 | | | | \$2,500,000 Infiltration Gallery Loan (CWRPDA #D21F091) Dated May 11, 2021 Interest Rate at 2.250% Due May 1 and November 1 | | | |
|--|---------------------|-------------------|---------------------|---|-------------------|---------------------|--|
| | Principal | Interest | Total | Principal | Interest | Total | |
| 2025 | \$ 128,416 | \$ 66,274 | \$ 194,690 | \$ 109,003 | \$ 49,557 | \$ 158,560 | |
| 2026 | 131,646 | 63,044 | 194,690 | 111,470 | 47,090 | 158,560 | |
| 2027 | 134,958 | 59,732 | 194,690 | 113,993 | 44,568 | 158,561 | |
| 2028 | 138,353 | 56,337 | 194,690 | 116,571 | 41,989 | 158,560 | |
| 2029 | 141,833 | 52,856 | 194,689 | 119,209 | 39,351 | 158,560 | |
| 2030 | 145,401 | 49,288 | 194,689 | 121,906 | 36,654 | 158,560 | |
| 2031 | 149,059 | 45,631 | 194,690 | 124,664 | 33,896 | 158,560 | |
| 2032 | 152,809 | 41,881 | 194,690 | 127,485 | 31,075 | 158,560 | |
| 2033 | 156,653 | 38,037 | 194,690 | 130,370 | 28,190 | 158,560 | |
| 2034 | 160,594 | 34,096 | 194,690 | 133,319 | 25,241 | 158,560 | |
| 2035 | 164,632 | 30,056 | 194,688 | 136,336 | 22,224 | 158,560 | |
| 2036 | 168,775 | 25,915 | 194,690 | 139,421 | 19,139 | 158,560 | |
| 2037 | 173,021 | 21,669 | 194,690 | 142,575 | 15,985 | 158,560 | |
| 2038 | 177,373 | 17,316 | 194,689 | 145,801 | 12,759 | 158,560 | |
| 2039 | 181,835 | 12,854 | 194,689 | 149,100 | 9,460 | 158,560 | |
| 2040 | 186,410 | 8,280 | 194,690 | 152,474 | 6,086 | 158,560 | |
| 2041 | 191,850 | 2,840 | 194,690 | 155,924 | 2,636 | 158,560 | |
| Total | \$ 2,683,618 | \$ 626,106 | \$ 3,309,724 | \$ 2,229,621 | \$ 465,901 | \$ 2,695,522 | |

**MOUNT WERNER WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

| \$1,250,000 Water Revolving Loan (CWRPDA #W22F471) Dated August 4, 2022 Interest Rate at 2.250% Due May 1 and November 1 | | | | | | Grand Totals | | |
|--|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|--|--|
| | Principal | Interest | Total | Principal | Interest | Total | | |
| 2025 | \$ 53,296 | \$ 25,984 | \$ 79,280 | \$ 290,715 | \$ 141,815 | \$ 432,530 | | |
| 2026 | 54,502 | 24,778 | 79,280 | 297,618 | 134,912 | 432,530 | | |
| 2027 | 55,735 | 23,545 | 79,280 | 304,686 | 127,845 | 432,531 | | |
| 2028 | 56,996 | 22,284 | 79,280 | 311,920 | 120,610 | 432,530 | | |
| 2029 | 58,286 | 20,994 | 79,280 | 319,327 | 113,202 | 432,529 | | |
| 2030 | 59,604 | 19,676 | 79,280 | 326,911 | 105,618 | 432,529 | | |
| 2031 | 60,953 | 18,327 | 79,280 | 334,676 | 97,853 | 432,529 | | |
| 2032 | 62,332 | 16,948 | 79,280 | 342,626 | 89,904 | 432,530 | | |
| 2033 | 63,743 | 15,537 | 79,280 | 350,766 | 81,765 | 432,531 | | |
| 2034 | 65,185 | 14,095 | 79,280 | 359,098 | 73,432 | 432,530 | | |
| 2035 | 66,660 | 12,620 | 79,280 | 367,628 | 64,901 | 432,530 | | |
| 2036 | 68,168 | 11,112 | 79,280 | 376,364 | 56,166 | 432,530 | | |
| 2037 | 69,710 | 9,570 | 79,280 | 385,306 | 47,223 | 432,529 | | |
| 2038 | 71,288 | 7,992 | 79,280 | 394,462 | 38,067 | 432,529 | | |
| 2039 | 72,901 | 6,379 | 79,280 | 403,836 | 28,693 | 432,529 | | |
| 2040 | 74,550 | 4,730 | 79,280 | 413,434 | 19,096 | 432,530 | | |
| 2041 | 68,850 | 10,430 | 79,280 | 416,624 | 15,906 | 432,529 | | |
| 2042 | - | - | - | - | - | - | | |
| Total | \$ 1,082,758 | \$ 265,002 | \$ 1,347,760 | \$ 5,995,997 | \$ 1,357,008 | \$ 7,353,005 | | |